

July 15, 2010

FOR ACTION

SUBJECT: To Designate Authorized Individuals to provide Morgan Stanley Smith Barney Investment and Other Instructions, Including Distributions, Transfers and Withdrawals

I. FACTS

- A. The Morgan Stanley Smith Barney account holds the operation's reserve for the Hawaii Housing Authority Wilikina Apartment Project, Inc.
- B. Morgan Stanley Smith Barney is authorized to accept investment instructions from officers of the Wilikina Board and/or other individuals whose signatures are certified on the attached form.
- C. The form has not been updated since the original Board was formed.
- D. The sale of the Hawaii Housing Authority Wilikina Apartment Project, Inc. was transmitted to the Buyer on January 19, 2010.

II. DISCUSSION

- A. The form requires the individual signing to give their home address and not their work address.

III. STAFF RECOMMENDATION

Allow the Board of Directors to take all necessary actions to fill out the form in its entirety, and update the signers for the Hawaii Housing Authority Wilikina Apartments Project, Inc.

Prepared by: Stephanie Fo, Property Management and Maintenance Services Branch
Chief SF

Authorized Individuals and Enabling Resolutions for Corporations

Account Number

For Morgan Stanley Smith Barney use only

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In consideration of Morgan Stanley Smith Barney LLC ("Morgan Stanley Smith Barney") opening and/or maintaining one or more accounts for the corporation named below, I, the undersigned, hereby certify as follows:

1. General Information

1. The full legal name of the corporation (the "Client") to which this document applies is:

HHA WILIKINA APARTMENTS PROJECT INC.

2. Is the corporation a not-for-profit entity? ☐ Yes ☐ No

(If yes, you must provide the federal tax-exempt status determination letter or, if none, other proof of not-for-profit status.)

2. Authorized Individuals

Morgan Stanley Smith Barney is hereby authorized, pursuant to Resolutions 2 and 4 in Section 3 below, to accept investment instructions and other instructions from those officers of the Client and/or other individuals listed below (all of whose signatures below are hereby certified pursuant to Resolution 6 in Section 3 below), unless their authority is expressly limited on this document. In addition, all check-signing and withdrawal privileges have been indicated below; these privileges include, but are not limited to, the authority to make distributions (e.g., of cash or securities) and transfers by check or otherwise to anyone, including the undersigned officers and/or other individuals.

(ALL AUTHORIZED INDIVIDUALS MUST COMPLETE THIS SECTION, EVEN IF ALSO SIGNING ON BEHALF OF THE CLIENT AT THE END OF THIS DOCUMENT.)

NAME		PRIMARY RESIDENCE: ADDRESS		
SIGNATURE		SOCIAL SECURITY NUMBER	DATE OF BIRTH	TITLE
Check-signing privileges:	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Other withdrawal privileges:	<input type="checkbox"/> Unrestricted	<input type="checkbox"/> Wire/Journal to Same-Name Account	<input type="checkbox"/> None	

NAME		PRIMARY RESIDENCE: ADDRESS		
SIGNATURE		SOCIAL SECURITY NUMBER	DATE OF BIRTH	TITLE
Check-signing privileges:	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Other withdrawal privileges:	<input type="checkbox"/> Unrestricted	<input type="checkbox"/> Wire/Journal to Same-Name Account	<input type="checkbox"/> None	



NAME

PRIMARY RESIDENCE: ADDRESS

SIGNATURE

SOCIAL SECURITY NUMBER

DATE OF BIRTH

TITLE

Check-signing privileges:

☐ Yes☐ No

Other withdrawal privileges:

☐ Unrestricted☐ Wire/Journal to Same-Name Account☐ None

NAME

PRIMARY RESIDENCE: ADDRESS

SIGNATURE

SOCIAL SECURITY NUMBER

DATE OF BIRTH

TITLE

Check-signing privileges:

☐ Yes☐ No

Other withdrawal privileges:

☐ Unrestricted☐ Wire/Journal to Same-Name Account☐ None

Subject to Morgan Stanley Smith Barney's policies, if Morgan Stanley Smith Barney receives conflicting instructions with respect to a particular account from different Authorized Individuals, or reasonably believes instructions from one Authorized Individual might conflict with the wishes of another Authorized Individual, Morgan Stanley Smith Barney may do any of the following: (a) choose which instructions to follow and which to disregard; (b) suspend all activity in the account until written instructions signed by all Authorized Individuals are received; (c) close the account and deliver all securities and other property, net of debits or liabilities, to the address of record; and/or (d) take other legal action.

3. Enabling Resolutions

The following is a full, true and correct copy of Resolutions duly and regularly adopted by vote of the Board of Directors of the Client, that such Resolutions have not been rescinded or modified and are in full force and effect, and the Client further represents and warrants that: (1) the Resolutions are in accord with and pursuant to the Client's underlying charter and bylaws; (2) the Resolutions are in accord with all constitutional, statutory and regulatory provisions pertaining to the Client; (3) the Client is empowered to take the actions called for by the Resolutions; (4) the Client is duly organized, validly existing and in good standing under all applicable state laws; and (5) the persons designated above as officers of the Client have been duly installed and now hold the offices in the Client set forth by their respective names and their true signatures.

1. Resolved that the Client is authorized and empowered to open one or more investment accounts (collectively, the "Securities Account") with Morgan Stanley Smith Barney.
2. Resolved that the Securities Account shall be a Cash Account or a Margin Account for the purpose of purchasing, investing in, or otherwise acquiring, selling (including short sales), possessing, transferring, exchanging, pledging, or otherwise disposing of, and generally dealing in any and all forms of securities and financial instruments of every kind or nature whatsoever, including, without limitation, purchasing, selling, etc., of option contracts (including uncovered option contracts). All orders and instructions, written or oral, relating to the Securities Account shall be given by one of the individuals designated above under the heading "Authorized Individuals," and each of them individually is hereby authorized and directed to purchase and/or sell and/or deal in any and all securities and financial instruments for the Client, including the power to deliver, accept delivery of, pledge, endorse, surrender and direct the transfer of record title of any assets beneficially owned by the Client for any purpose, including to effect any exchange or conversion, or to deposit with any protective or similar committee, or otherwise, without obligation on Morgan Stanley Smith Barney's part to inquire into the reasons for said order or instructions.
3. Resolved that the Client is authorized to obtain, and borrow at any time and from time to time under, any commercial line of credit that may be extended, and/or term loan that may be made or any other financial accommodation, financial service or extension of credit, to the Client at any time and from time to time (a "Credit Facility"), and to secure payment therefor with property of the Client (including but not limited to equipment, inventory, accounts, general intangibles, real property and investment property), and to enter into any credit, security and other agreements and other documents necessary to effect the foregoing, in form and substance and in such amounts and with such repayment provisions, interest and fees, and other terms, as shall be satisfactory to any of the Authorized Individuals, acting alone, such satisfaction to be conclusively evidenced by the execution and delivery of such agreements and other documents by such Authorized Individual.

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4. Resolved that Morgan Stanley Smith Barney may deal with any one of the Authorized Individuals as though Morgan Stanley Smith Barney were dealing with the Client directly and each Authorized Individual is authorized and directed generally to do and take all action necessary in connection with the Securities Account.
5. Resolved that each of the Authorized Individuals is authorized and directed to bind and obligate the Client to and for the carrying out of any contract, arrangement or transaction that shall be entered into by any such Authorized Individual for and on behalf of the Client with or through Morgan Stanley Smith Barney; to execute and deliver to Morgan Stanley Smith Barney on behalf of the Client any and all agreements, documents, contracts, releases and other writings that Morgan Stanley Smith Barney may require; to affix the corporate seal to any documents or agreements; and to agree to any terms or conditions to control the Securities Account.
6. Resolved that the Secretary (or other duly designated officer) of the Client is hereby authorized, empowered and directed to certify, under the Seal of the Client, or otherwise to Morgan Stanley Smith Barney:
 - (a) a true copy of these Resolutions;
 - (b) specimen signatures of each and every individual empowered by these Resolutions;
 - (c) a certificate (which, if Morgan Stanley Smith Barney requires, shall be supported by an opinion of the general counsel of the Client, or other counsel satisfactory to Morgan Stanley Smith Barney) that the Client is duly organized and existing, that its charter empowers to transact the business contemplated in these Resolutions, and that no limitation has been imposed upon such powers by constitution, statute, regulations, charter, bylaw or otherwise.
7. Resolved that Morgan Stanley Smith Barney may rely upon any certification given in accordance with these Resolutions as continuing fully effective unless and until Morgan Stanley Smith Barney shall receive due written notice of an amendment, modification or rescission of such Resolutions or certification. Further resolved that Morgan Stanley Smith Barney shall not be liable for any action taken or not taken upon instruction of any Authorized Individual prior to Morgan Stanley Smith Barney's actual receipt of written notice of the termination or impairment of such person's authority. The failure to supply any specimen signature shall not invalidate any transaction which is in accordance with authority actually granted. Further resolved that the Client shall indemnify and hold harmless Morgan Stanley Smith Barney, Morgan Stanley & Co. Incorporated and any of their subsidiaries and affiliates from any and all claims that a transaction was unauthorized or outside the scope of the Client's powers, if such transaction was authorized by any of the Authorized Individuals.
8. Resolved that in the event of any change in the office or powers of persons hereby empowered, the Secretary (or other duly designated officer) shall certify such changes to Morgan Stanley Smith Barney, in writing, which certification, when Morgan Stanley Smith Barney receives it, shall terminate the powers of the persons previously authorized and empower the persons thereby substituted.
9. Resolved that the Client hereby authorizes Morgan Stanley Smith Barney to charge any amount due Morgan Stanley Smith Barney under any arrangement with the Client against any or all of the accounts and other property of the Client held with Morgan Stanley Smith Barney or any of its affiliates, with the Client remaining liable for any deficiency and each Authorized Individual is authorized and directed to pay to Morgan Stanley Smith Barney by checks and/or drafts drawn upon the funds of the Client such sums as may be necessary to discharge the Client's obligations to Morgan Stanley Smith Barney.
10. I/we agree that Morgan Stanley Smith Barney may apply this form to any accounts in the name of the entity listed in Section 1 above. I/we further agree that all of the terms, conditions, authorizations and representations shall apply to such accounts.

4. USA PATRIOT Act

Important information about procedures for opening a new account or establishing a new customer relationship.

To help the government fight the funding of terrorism and money-laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each individual or institution that opens an account or establishes a customer relationship with Morgan Stanley Smith Barney.

What this means: If you enter into a new customer relationship with Morgan Stanley Smith Barney, Morgan Stanley Smith Barney will ask for your name, address, date of birth (as applicable) and other identification information. This information will be used to verify your identity. As appropriate, Morgan Stanley Smith Barney may, in its discretion, ask for additional documentation or information. If all required documentation or information is not provided, Morgan Stanley Smith Barney may be unable to open an account or maintain a relationship with you.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the Seal of the Client,

this _____ day of _____, 20_____.

SECRETARY

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July 15, 2010

FOR INFORMATION

SUBJECT: History and Status of Sale of Wilikina Property

I. FACTS

Below is a history and prospective timeline for closure of the sale of the HHA Wilikina Apartments with VB Wilikina Limited Partnership.

- A. 11/1/2009 (est.): VB Wilikina Limited Partnership (Buyer) contracted with a certified appraiser to conduct a rent comparability study to determine the fair market rents in the area, and to ascertain if a rent increase is required. If a rent increase is warranted, HUD mandates submission of a special rent increase request, which can be justified by a rehabilitation plan;
- B. 11/30/2009 (est): The rent comparability study established that higher rents may be imposed. This initiated development of a rehabilitation plan by Buyer.
- C. 1/13/2010 (est.): Buyer conducted a physical needs assessment by a qualified engineer, and received the assessment data on or about February 16, 2010;
- D. 2/23/2010: HPHA executed a purchase and sale agreement with Buyer;
- E. 3/1/2010: HPHA's project based Section 8 /Housing Assistance Program (HAP) contract with HUD expired. The HPHA is currently obtaining renewal of the Section 8/HAP contract with HUD;
- F. 5/24/2010: Hawaii Housing Finance and Development Corporation (HHFDC) received a tax exempt bond application regarding Wilikina from Buyer;
- G. 6/8/2010: HHFDC met with the Buyer to address agency questions regarding the contractor's bond application. HPHA met with Buyer to discuss status and pending requirements to complete closing of the sale of the property;

- H. 8/1/2010: Anticipated submission date for the HUD rent increase, subject to completion of HUD's renewal of the Section 8/HAP contract, and HHFDC review;
- I. 1/15/2011: Anticipated closing date of the sale of the Wilikina property, per information provided by HHFDC; and
- J. The purchase price of the property is ten million dollars (\$10,000,000.00);

Prepared by: Steven K. Chang, Chief Compliance Officer SKC

FOR INFORMATION

SUBJECT: History and Status of Sale of Banyan Street Property

I. FACTS

Below is a history and prospective timeline for closure of the sale of the ~~HHA~~ Banyan Street Apartments with Banyan Housing Limited Partnership.

- A. 1/28/2010: HPHA executed a purchase and sale agreement with Banyan Housing Limited Partnership (Buyer);
- B. 6/8/2010: Buyer notified the HPHA that the second deposit of \$50,000.00 has been placed in the escrow account;
- C. The purchase price of the property is eight million five hundred thousand dollars (\$8,500,000.00); and
- D. The anticipated closing date is forty-five (45) days after i) receipt of HUD approval; ii) receipt of tax credit/bond approval by Buyer; or iii) the approval by the City and County of Honolulu.

Prepared by: Steven K. Chang, Chief Compliance Officer _____

Who is this?